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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
Chairman

BOB STUMP
Commissioner

SANDRA D. KENNEDY
Commissioner

PAUL NEWMAN
Commissioner

BRENDA BURNS
Commissioner

Arizona Corporation Commission

DOCKETED

SEP 15 2011

DOCKETED BY

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IN THE MATTER OF THE APPLICATION
OF GLOBAL WATER – PALO VERDE
UTILITIES COMPANY FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
FOR UTILITY SERVICE DESIGNED TO
REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE
OF ARIZONA

DOCKET NO. SW-20445A-09-0077

IN THE MATTER OF THE APPLICATION
OF VALENCIA WATER COMPANY –
GREATER BUCKEYE DIVISION FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
FOR UTILITY SERVICE DESIGNED TO
REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE
OF ARIZONA

DOCKET NO. W-02451A-09-0078

IN THE MATTER OF THE APPLICATION
OF WILLOW VALLEY WATER
COMPANY FOR THE ESTABLISHMENT
OF JUST AND REASONABLE RATES AND
CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE
OF ITS PROPERTY THROUGHOUT THE
STATE OF ARIZONA

DOCKET NO. W-01732A-09-0079

1 IN THE MATTER OF THE APPLICATION
2 OF GLOBAL WATER – SANTA CRUZ
3 WATER COMPANY FOR THE
4 ESTABLISHMENT OF JUST AND
5 REASONABLE RATES AND CHARGES
6 FOR UTILITY SERVICE DESIGNED TO
7 REALIZE A REASONABLE RATE OF
8 RETURN ON THE FAIR VALUE OF ITS
9 PROPERTY THROUGHOUT THE STATE
10 OF ARIZONA

DOCKET NO. W-20446A-09-0080

11 IN THE MATTER OF THE APPLICATION
12 OF WATER UTILITY OF GREATER
13 TONOPAH FOR THE ESTABLISHMENT
14 OF JUST AND REASONABLE RATES AND
15 CHARGES FOR UTILITY SERVICE
16 DESIGNED TO REALIZE A REASONABLE
17 RATE OF RETURN ON THE FAIR VALUE
18 OF ITS PROPERTY THROUGHOUT THE
19 STATE OF ARIZONA

DOCKET NO. W-02450A-09-0081

20 IN THE MATTER OF THE APPLICATION
21 OF VALENCIA WATER COMPANY –
22 TOWN DIVISION FOR THE
23 ESTABLISHMENT OF JUST AND
24 REASONABLE RATES AND CHARGES
25 FOR UTILITY SERVICE DESIGNED TO
26 REALIZE A REASONABLE RATE OF
27 RETURN ON THE FAIR VALUE OF ITS
28 PROPERTY THROUGHOUT THE STATE
OF ARIZONA

DOCKET NO. W-01212A-09-0082

DECISION NO. 72581ORDER

Open Meeting
September 6 and 7, 2011
Phoenix, Arizona

BY THE COMMISSION:

In Decision No. 71878, dated September 15, 2010, the Arizona Corporation Commission (“Commission”), ordered that Global Water - Palo Verde Utilities Company Division shall file within 60 days with the Commission’s Docket Control, as a compliance item in this matter, a copy of its Unauthorized Discharge Fee Tariff within 60 days for Staff’s review and the Commission’s consideration. Pursuant to that order, the Company filed its proposed tariff on November 15, 2010. On June 13, 2011, the Company amended the proposed tariff to correct a typographical error. Staff filed its recommendation and proposed order on August 15, 2011.

Decision No. _____

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. Septic tank haulers and grease trap haulers, who charge a fee for removal services, typically pay a fee to facilities for environmentally sound disposal in landfills. According to the Company, some haulers choose instead to dump their loads into a sewer system ("unauthorized discharge"), and that some of the materials that haulers carry have the potential to seriously disrupt the Company's wastewater treatment processes, in some cases for many days or even weeks.

2. The proposed tariff would only apply to unauthorized discharges involving the Palo Verde collection and treatment systems. The Company's collection and treatment systems are designed for municipal wastewater flow and all other discharges are unauthorized and prohibited. Per the proposed tariff all discharges into the Palo Verde collection and treatment system must be made by customers of record through the customer's authorized service line.

3. The Company's proposed tariff contains the following fees:

Any person (as defined in A.A.C. R14-2-601.16) that makes an unauthorized discharge into the Company's collection or treatment system is subject to a fee, for each occurrence, as follows:

a) \$5,000; and

b) All costs associated with the collection and remediation of the unauthorized discharge.

4. Staff understands that the proposed tariff would typically apply to an individual or entity that is not a customer of the Company. Staff's support for the adoption of such a tariff in the case leading up to Decision No. 71878 contemplated that the tariff would only apply to ratepayers of the Company. Staff does not believe it would be appropriate for the Commission to approve this tariff in its current form since it would apply to an area beyond the Commission's regulatory authority and could not be enforced. Staff is also concerned that the total fee may be punitive where a minor unauthorized discharge has occurred. Staff believes the total fee amount should be

1 tied more closely to the collection and remediation costs associated with a specific unauthorized
2 discharge. Finally, Staff is concerned that the proposed tariff does not define the substances or
3 materials that could damage the Company's collection and treatment systems.

4 5. Staff recommends that the Commission deny the Company's Unauthorized
5 Discharge Fee Tariff for the reasons previously discussed.

6 CONCLUSIONS OF LAW

7 1. The Company is a public service corporation within the meaning of Article XV of
8 the Arizona Constitution and A.R.S. §§ 40-250 and 40-252.

9 2. The Commission has jurisdiction over the Company and of the subject matter of the
10 application.

11 3. It is not in the public interest to authorize the Company's request for approval of the
12 Unauthorized Discharge Fee Tariff as discussed herein.

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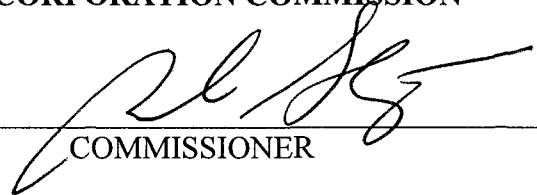
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ORDER

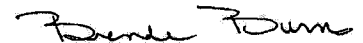
IT IS THEREFORE ORDERED that the application by Global Water - Palo Verde Utilities Company Division for the implementation of an Unauthorized Discharge Fee Tariff, as discussed herein, is hereby denied.

IT IS FURTHER ORDERED that this Decision become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION
CHAIRMAN
COMMISSIONER

EXCUSED
COMM. KENNEDY

EXCUSED
COMM. NEWMAN



COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto, set my hand and caused the official seal of
this Commission to be affixed at the Capitol, in the City of
Phoenix, this 15th day of September, 2011.


ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:JL:lhmm\WVC

SERVICE LIST FOR: Global Water – Palo Verde Utilities Company, Valencia Water Company – Greater Buckeye Division, Willow Valley Water Co., Global Water Company – Santa Cruz Water Company, Water Utility of Greater Tonopah, and Valencia Water Company – Town Division

DOCKET NOS. SW-20445A-09-0077, W-02451A-09-0078, W-01732A-09-0079, W-20446A-09-0080, W-02450A-09-0081, AND W-01212A-09-0082

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